

INFORMATIONAL HEARING and SITE VISIT  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Certification ) Docket No.  
for the Colusa Power Plant ) 01-AFC-10  
Project )  
----- )

COLUSA FAIRGROUNDS  
ATWOOD HALL  
1303 TENTH STREET  
COLUSA, CALIFORNIA

MONDAY, SEPTEMBER 24, 2001

5:45 p.m.

Reported by:  
Valorie Phillips  
Contract No. 170-01-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Arthur Rosenfeld, Presiding Member

Garret Shean, Hearing Officer

STAFF PRESENT

Darcie Houck, Staff Counsel

Kristy Chew, Project Manager

Paul Richins, Senior Project Manager

APPLICANT

John P. Grattan, Attorney  
Grattan and Galati

Denise M. Heick, Vice President, Project Manager  
URS Corporation

J. Christopher Allen, Sr., Vice President  
Brian D. Walker, Manager  
Reliant Energy

INTERVENORS

Sky C. Stanfield, Legal Assistant  
Adams, Broadwell, Joseph and Cardozo  
California Unions for Reliable Energy

ALSO PRESENT

Douglas White, Supervisor  
William Waite, Supervisor  
Mark Marshall, Supervisor  
Christy Scoffield, Supervisor  
County Board of Supervisors  
County of Colusa

Gail Beduhn, Commissioner  
J.D. Garr, Commissioner  
Bruce Rolen, Commissioner  
Lem Pearson, Commissioner  
Planning Commission  
County of Colusa

ALSO PRESENT

Bob Mussetter

Donald W. (Bill) Littlejohn, Attorney  
Littlejohn & Westfall  
representing concerned Landowners, Emerald Farm

John C. Gabrielli, Attorney  
Gabrielli Law Office  
representing concerned Landowners

George Lewis, City Administrator  
City of Williams

Tom Evans

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

## 1 P R O C E E D I N G S

2 5:45 p.m.

3 HEARING OFFICER SHEAN: We will now go  
4 on the record.5 My name is Garret Shean; I am a Hearing  
6 Officer for the California Energy Commission. And  
7 to my left is Commissioner Art Rosenfeld, who is  
8 the Presiding Commissioner on the Committee, which  
9 is composed of two of five Energy Commissioners  
10 who will be overseeing the conduct of this  
11 proceeding and ultimately voting on the  
12 disposition of the application for certification.13 Let me indicate that the purpose of  
14 having her here is to assure that every comment  
15 that we receive from members of the public is put  
16 down on a permanent record in the proceeding. So,  
17 at the time when you have something, if you have  
18 something to say, we're going to ask you to come  
19 forward and stand here at the podium and speak  
20 clearly and loudly into the microphone. The  
21 acoustics in this room do not lend themselves to  
22 timid speech, and I'm sure none of you want to be  
23 timid speakers, so we just ask that you speak up.24 There are a lot of empty seats in the  
25 front, too, so since we know that noise will

1 decrease by the distance to the receptor, if  
2 you're having a hard time hearing anyone up here,  
3 probably the first solution is to move forward.

4 PRESIDING MEMBER ROSENFELD: And the  
5 seats are the same price up front.

6 (Laughter.)

7 HEARING OFFICER SHEAN: Do you want to  
8 just introduce yourself.

9 PRESIDING MEMBER ROSENFELD: I am  
10 Commissioner Rosenfeld. I'm very pleased to be  
11 here. My fellow Commissioner, Michal Moore, has a  
12 terrible cough so he asked to be excused. And  
13 since I'm eating Reliant's nice dinner in public,  
14 I think I should thank Reliant for the dinner.  
15 And let's go.

16 HEARING OFFICER SHEAN: All right. Mr.  
17 Douglas White, who is a Member of the Board of  
18 Supervisors, I think, was going to give a couple  
19 of brief welcoming remarks, and then we'll get  
20 into the official business of the day.

21 COUNTY SUPERVISOR WHITE: On behalf of  
22 the County of Colusa, I'd like to thank all of you  
23 for being here; thank all of you in the audience  
24 for being here. And especially we want to thank  
25 Reliant for first of all proposing this get-

1       together. I think you did. And providing some  
2       food here which almost everybody ate. But I  
3       didn't understand there was going to be food here,  
4       and so I ate before I arrived, and that's my loss.  
5       But we're very happy to have you here.

6               Reliant Energy has designs on building a  
7       large power plant in Colusa. And as a result of  
8       the normal operations of the law they're having a  
9       public hearing here this evening in order to get  
10      comments from the people in Colusa. And I'm glad  
11      to see all of you here. I'm sorry there weren't  
12      more of you here. And I hope everyone has  
13      something to say pro and con.

14             I'm going to be sitting in judgment on  
15      this matter later. I'm taking, at this point in  
16      time, a neutral stance, as are the other Board of  
17      Supervisors Members. Mark Marshall is here;  
18      Christy Scoffield is here; and Bill Waite is here.  
19      Is Dave here? Okay, well, four out of five.  
20      We're here.

21             Everybody in Colusa County is very  
22      interested in this project because it is a very  
23      large project, and it is a very meaningful project  
24      to everybody in the County. Whether they like it  
25      or not, it's a very very meaningful thing.



1                   And I want to welcome all of you, and I  
2                   will turn it over at this point in time. And  
3                   thank you again for coming.

4                   HEARING OFFICER SHEAN: Thank you, Mr.  
5                   White.

6                   On July 6th of this year Reliant Energy  
7                   filed an application for certification seeking  
8                   approval from the Energy Commission in an  
9                   expedited six-month proceeding to construct and  
10                  operate its Colusa Power Plant project.

11                  That project is a nominal 500 megawatt  
12                  combined cycle project, which would include two  
13                  combustion turbine generators and would be fueled  
14                  by natural gas.

15                  Earlier in the day we went to the site  
16                  via the roads that would be used for the routes  
17                  for construction equipment as well as eventually,  
18                  I'm sure, operational personnel.

19                  We got a pretty good look at the site.  
20                  They had balloons set up so that you could tell  
21                  the boundaries of the power plant site, itself, as  
22                  well as the routes for the transmission lines and  
23                  the water pipelines.

24                  This process is an Energy Commission  
25                  license. For any proposal for a power plant which

1 is over 50 megawatts state law authorizes the  
2 Energy Commission to exercise exclusive  
3 jurisdiction. Which means that it will be the  
4 Energy Commission and not the County or the local  
5 Air Pollution Control District doing the licensing  
6 of the facility.

7 However, that is not to say that the  
8 County and other local agencies will not be  
9 involved. Because not only are there particular  
10 matters that need to be changed with regard to the  
11 planning and zoning so there will be local actions  
12 there.

13 The Energy Commission Staff will be in  
14 constant contact with your local officials on a  
15 variety of matters that are within local  
16 expertise. So you can count on the fact that we  
17 will be interfacing with the County as well as the  
18 local air district throughout the proceeding.

19 And let me just say, the information  
20 that we get and the input that we get from the  
21 local district and from the local jurisdictions is  
22 extremely important, and ultimately what we want  
23 to determine is whether or not, in your  
24 interpretation of your applicable laws,  
25 ordinances, and standards, the project complies

1       with those laws, ordinances, and standards. So  
2       that is part of our review.

3               The purpose of today's hearing is to  
4       provide information about the proposed project to  
5       you; to describe the Commission's licensing  
6       proceedings; and to receive questions or comments  
7       from the public.

8               We have with us here today, and they'll  
9       introduce themselves in a moment, the applicant,  
10      Reliant Energy on my right; the Energy Commission  
11      Staff on my left; and we have already identified  
12      some of the members of the Board of Supervisors;  
13      and there are either potential intervenors or  
14      intervenors who are present here today.

15              I'm also standing in for the  
16      Commission's Public Adviser, who is Roberta  
17      Mendonca. Some of you either have contacted her  
18      already or know her by name, or the function of  
19      the Public Adviser. And let me just state that  
20      now for the moment.

21              The Energy Commission has, in its  
22      enabling statute, created a unique position in the  
23      Public Adviser. Her function, and she is a  
24      lawyer, is to assist you in gaining information  
25      about the project and participating in our

1       proceedings.

2               I left some of her business cards on the  
3       back table. If you have questions or wish further  
4       information about participating, please contact  
5       her. Or if you have a question and you want to  
6       ask it here this evening, certainly feel free to  
7       ask me.

8               By way of background we mailed out  
9       notice of this particular hearing to all owners of  
10      property adjacent to the proposed project, as well  
11      as published notice of this meeting in the local  
12      newspaper.

13              Today is the first event in a series of  
14      events conducted either by the Commission Staff,  
15      or by the Commission Committee, which will be  
16      Commissioner Rosenfeld, Commissioner Moore and  
17      myself, which will eventually lead to a  
18      recommendation in the form of a proposed decision,  
19      which will be considered and voted upon by the  
20      full five-member Energy Commission, sitting in a  
21      meeting in Sacramento sometime after the first of  
22      the year.

23              The proposed decision must rest, under  
24      the law, on information brought to us in what we  
25      call a record. That is information produced by

1 the applicant, by the Commission Staff, by your  
2 local jurisdictions and agencies, as well as  
3 members of the public.

4 We cannot base our decision on any  
5 information coming to us outside of the record.  
6 And therefore, contacts with the decision makers,  
7 which we call ex parte contacts, as a legal term,  
8 are prohibited. Thus no one has, to use a phrase  
9 I guess, backdoor access to the decision makers.  
10 Everything we do is done in a public meeting, such  
11 as this, on the record, transcribed by a reporter,  
12 so that you will know as much about what is the  
13 basis for the decision as we will know if you are  
14 a steady participant in the proceeding.

15 I should also indicate to you that  
16 fortunately, given the electronic environment in  
17 which we now live, that not only will transcripts  
18 of the proceeding be available, but transcripts of  
19 all the documentation produced by the staff, as  
20 well as the Committee, are available on the Energy  
21 Commission's website.

22 And I would suggest if you want to stay  
23 in touch with what is going on in this proceeding,  
24 is on the back table, the sheet entitled the  
25 agenda. Near the bottom there is a process

1 described of how you can sign on to the Energy  
2 Commission's list server for this particular case.

3 And if you do that you will receive in  
4 your email notification of either hearings,  
5 workshops or the availability of documents. So  
6 that you will basically instantaneously be as up  
7 to date as any of the immediate participants in  
8 the proceeding.

9 So, I would commend you to do that. If  
10 you have access to the internet, I would encourage  
11 you to sign up for the list server. You will get  
12 information far more quickly than you would  
13 through the United States mail. And because of  
14 the expense of U.S. mail, the state encourages you  
15 to do this electronically.

16 An important facet of the Energy  
17 Commission's process is the participation by the  
18 public. We have a 25-year history of going into  
19 the local community, not only to hold events like  
20 this, but also staff workshops and ultimately  
21 Committee hearings, so that we are here for you.  
22 And we want you to have access to a very open  
23 process and want to make sure that you're  
24 encouraged to actively participate.

25 If you have an interest or a concern

1        arising from this project proposal, then you need  
2        to bring it to us, and we will, if at all  
3        possible, try to address and satisfy your concern.

4                The applicant, at the site visit today,  
5        indicated that it, too, expects to be a good  
6        neighbor. It is open to discussions with its  
7        neighbors, and will try to find solutions to any  
8        particular problems that appear to arise.

9                Now, the conduct of the hearing tonight  
10       is going to be a presentation by the applicant.  
11       They will describe their proposal.

12               The Commission Staff will provide an  
13       overview of the Energy Commission's licensing  
14       process, and its role in independently reviewing  
15       the proposed project. The staff is not under the  
16       direct control or anything like that from the  
17       Commission Committee.

18               It is composed of a staff of independent  
19       professionals which have expertise in all the  
20       typical environmental areas from air quality down  
21       to zoning, and an independent staff of engineering  
22       experts, that not only look at transmission  
23       engineering, but also things such as structural  
24       engineering, seismic safety and things like that.

25               Also expect at that point if the County

1       has some remarks it would like to make, we'll have  
2       them come forward. And any potential intervenors,  
3       or agencies, or interested members of the public.

4               So, we will make sure that before we  
5       leave this evening you have had an opportunity to  
6       tell us everything you want us to hear about the  
7       project as it stands today, based upon your state  
8       of knowledge. And we will take that with us back  
9       to Sacramento and use that to help guide the  
10      analysis that we will be undertaking for about the  
11      next five-plus months.

12             There will also be some -- well,  
13      actually I think we probably won't do that. I was  
14      going to say discussion of the schedule. We are  
15      going to take back a staff recommendation that was  
16      on its issue identification report, which is  
17      supplied at the back. And deliberate to some  
18      degree on what the schedule of the proceedings  
19      should be.

20             As I indicated, this is nominally a six-  
21      month schedule. The staff has indicated that  
22      there are some information needs from the  
23      applicant which will go to other agencies, the  
24      federal government and other state agencies, which  
25      need to complete an analysis in order for us to



1 reach the point we can have a final decision.

2 If that is all provided by the applicant  
3 and analyzed in the timeframe that we hope, then  
4 we will be concluding in six months. If it takes  
5 a little bit longer than that, so be it. Or if it  
6 takes a little less than that, so be it.

7 We will basically determine our schedule  
8 based upon the status of the review and our  
9 ability to afford an opportunity for a meaningful  
10 participation by the public.

11 With that I'm going to ask the applicant  
12 to introduce its team, and then we'll go to the  
13 staff, the County, intervenors, and so on.

14 Now, these microphones, let me just  
15 indicate, are for her only, so.

16 MR. WALKER: My name is Brian Walker.  
17 And first I want to thank you all for being here  
18 this evening. There are some people in the  
19 audience I'd like to draw special recognition to.  
20 These are members of the Board of Supervisors and  
21 Planning Commission.

22 I know you heard from Supervisor Doug  
23 White. We also have Mark Marshall, Bill Waite,  
24 and as well, Christy Scoffield is in the audience.  
25 There's Planning Commissioners here tonight. I'd

1       like to recognize and thank them for coming, as  
2       well.  Lem Pearson, Gail Beduhn, J.D. Garr and  
3       Bruce Rolen, as well.  So thank you all very much  
4       for showing up tonight.

5               I'd like to introduce the people that  
6       sitting at the table with me.  On my right is  
7       Chris Allen; he is our Vice President for Business  
8       Development at Reliant Energy.

9               To his right is John Grattan; he is one  
10       of our local counsels, based in Sacramento.  And  
11       to my far right is Denise Heick, who is the  
12       Project Manager for URS.  And URS is our  
13       environmental consulting firm that we brought on  
14       board to help us analyze the project, develop our  
15       application and all the documents necessary to go  
16       through the permitting process.

17               I think Chris would like to say a few  
18       words of welcome.  Chris.

19               MR. ALLEN:  Thank you, Brian.  I want to  
20       echo what Brian said.  We really do appreciate the  
21       opportunity to begin this process.  Reliant Energy  
22       is a company that roots are very deep.  They've  
23       been in the power business for over 100 years.

24               Our basic company started in Houston.  
25       We own the electric and the gas utility in

1       Houston. We also have very sizeable gas utility  
2       organizations throughout kind of the middle  
3       section of the United States. And we have the  
4       largest gas utility in kind of the northern  
5       utilities in Minneapolis, called Minnegasco.

6               We also have a company we started five  
7       years ago that is now called Reliant Resources.  
8       It is our new nonregulated wholesale company. And  
9       when we started this, three or four of us had come  
10      over from other companies a little over five years  
11      ago.

12             Our first project was a combined cycle  
13      plant, very similar to what we're proposing  
14      building here in Colusa County, outside of Las  
15      Vegas, Nevada. And El Dorado has been in  
16      operation for about a year and a half.

17             We operate currently in the western  
18      United States a little over 5000 megawatts. We're  
19      very familiar with California. We acquired five  
20      plants from Southern California Edison in the  
21      divestiture process, so we've already had a  
22      history of operating in the state that now is  
23      going on three years, which I think will certainly  
24      make us a very strong operator in this area. We  
25      are very familiar with how California operates.

1                   The company is a \$30 billion-plus  
2                   company. It literally operates power plants all  
3                   over the United States. Our heaviest  
4                   concentration is in the mid Atlantic area and the  
5                   west coast.

6                   I think what we've really shined at over  
7                   the years is our ability to work effectively with  
8                   local communities and be a good neighbor. I fully  
9                   understand, I've done a lot of these in various  
10                  areas of the country and internationally, we're  
11                  going to have to demonstrate that over time.

12                  But we genuinely do have an open-door  
13                  policy. We do want to understand what people are  
14                  concerned about in their communities, at the  
15                  government level, and the general populous level.

16                  So I think we'll be able to give you a  
17                  good feeling as we go forward that we're very  
18                  committed to that.

19                  I think the other thing that our company  
20                  has done extremely well over the years is that we  
21                  have really one of the finest environmental groups  
22                  of any utility in the United States. And we're  
23                  going to be doing some educational things with the  
24                  public here in the not-too-distant future.

25                  And we'll give you a feel for what we've

1       done in other communities throughout the United  
2       States on how we operate our power plants. And I  
3       think that you should hopefully come away from  
4       that to see that we really spend a lot of time and  
5       effort in making sure that we operate the plants  
6       in a proper manner, and not create any significant  
7       issues as they relate to the environment.

8               We're committed to California. We think  
9       this plant is part of the solution, long term, for  
10      the state. There is no question there has been a  
11      power shortage in the western United States. And  
12      projects like Colusa Energy will allow supply to  
13      catch up with demand. And it's low-cost supply;  
14      again, it's environmentally friendly supply.

15             We do create jobs in this process.  
16      Quite a few jobs during construction. Can range  
17      up to as high as 300 or 400 jobs during peak  
18      times. I think one of the nice features of plants  
19      like this is that they operate, though, with a  
20      very small staff of skilled people; hopefully all  
21      hired in the local area.

22             A lot of the construction people will  
23      come out of the local area. We've already had a  
24      lot of dialogue with the union. You've had a  
25      plant built in this area, and a lot of the labor

1 resources did come locally.

2 But projects like this also contribute  
3 significantly to the tax revenue in the County.  
4 And they also do not put a lot of demand on  
5 services, i.e., you have about 24 people working  
6 in the plant. So you're not having to build new  
7 schools to accommodate their families. Again, a  
8 lot of them are local people that work at the  
9 plant.

10 We are really happy to be here. Again,  
11 in summary, we'd like to work with you. We  
12 understand that this is a process that has to have  
13 a lot of flow of information and dialogue by all  
14 the parties. And, again, we welcome the  
15 opportunity to address people's concerns.

16 Thank you.

17 MR. WALKER: Thank you, Chris. I want  
18 to take a few minutes to give you a brief overview  
19 of the project.

20 For those of you who attended the site  
21 visit this afternoon, this might be somewhat  
22 repetitive, but I know there are new faces in the  
23 crowd, and I want to make sure everybody has a  
24 good understanding of the project before we begin  
25 into the Q&A section.

1                   As Chris said, Reliant Energy is a large  
2           international energy services and energy delivery  
3           firm. We are around 25,000 megawatts across the  
4           United States; 3500 of those approximately, 3500  
5           megawatts of those reside in southern California.

6                   We have developed plants very similar to  
7           what we are proposing here in both Nevada,  
8           Arizona, the midwest, Florida and the northeast.  
9           We feel like we have, as Chris stated, a strong  
10          track record in working with communities and  
11          developing these projects in a very  
12          environmentally friendly way. And we look forward  
13          to demonstrating that to you all over the next six  
14          months, and hopefully beyond.

15                  I've been asked, spending time here in  
16          Colusa County I've been asked numerous times why  
17          Colusa. Why did you end up here? Why did Reliant  
18          pick Colusa County?

19                  And I think in order to answer that  
20          question I want to take one step back and give you  
21          jut a brief explanation of the electricity grid,  
22          if you will, here in California.

23                  There is an interconnection, there is a  
24          transmission corridor, if you will, that connects  
25          northern and southern California. A great deal of

1 the generation in California resides in southern  
2 California.

3 During periods of peak time, peak  
4 demand, hot summers, there could be shortages in  
5 northern California. And Reliant began to  
6 identify northern California as a region that was  
7 in need of power, a subregion within the State of  
8 California.

9 So late last fall we began looking for a  
10 potential site here in northern California. A  
11 gentleman which I'm sure you are all very familiar  
12 with and know well, Bob Mussetter, who did just  
13 walk in -- thanks, Bob, for coming -- approached  
14 Reliant and said we have a site for you that I  
15 want you to take a look at in Colusa County. We  
16 think it's a real good site.

17 We did come out and look at this, look  
18 at the site, and we believe Bob, it is a very good  
19 site to develop a power plant on.

20 And when I say that I mean the site has  
21 everything you need to develop a power plant on  
22 site. As I was saying, the site, we believe, is a  
23 premiere site to develop a power plant on. All  
24 the infrastructure you would need to develop a  
25 power plant, major transmission lines, large



1 interstate gas pipelines and water supply are all  
2 located right on site.

3 Those of you who went out to the site  
4 visit today got to see the location of the site.  
5 I did plan on getting up and referring to this map  
6 behind me, but at the risk of not being able to be  
7 heard in the microphone, I will try to articulate  
8 to you where the site is located.

9 The site is located about five miles  
10 west of Interstate 5, and approximately 15 or so  
11 miles north of Williams. If you know where the  
12 PG&E Delevan Compressor Station is, then you know  
13 where the site is.

14 The plant would be located literally  
15 one-half mile to the west of the PG&E Delevan  
16 Compressor Station.

17 The way we got there today, for those of  
18 you who would like to go out and kind of get a  
19 view of where that site might be, if you go up I-  
20 5, north of here, and you exit Delevan Road; you  
21 go over I-5, go west, you'll come to McDermott  
22 Road. At which point you will turn and go north,  
23 go right on McDermott Road. That will take you to  
24 Dirks Road - how's Chris doing -- so far so good.

25 MR. ALLEN: I don't have a crayon.

1 (Laughter.)

2 MR. WALKER: And then you'll take a left  
3 on Dirks Road, which will lead you straight out to  
4 the site, straight out to the PG&E Delevan  
5 Compressor Station. And once you get there, just  
6 know we're about a half-mile behind that.

7 As we began to look at this site we  
8 really realized that this was a premiere site. We  
9 talked about the transmission and the  
10 infrastructure that's needed on site. Just to the  
11 east of the PG&E Delevan Compressor Station,  
12 literally sitting right there, are PG&E's large  
13 electric transmission lines. We will be  
14 interconnecting into those transmission lines. It  
15 will be about a half-mile we would have to link  
16 between our power plant site and the transmission  
17 lines.

18 Directly under the transmission lines  
19 runs two large interstate pipelines for PG&E. And  
20 we will be interconnecting there for our natural  
21 gas supply.

22 And one of the things we touched on a  
23 few moments ago is the water supply. And this is  
24 something that Reliant takes a lot of interest in,  
25 and I know you all here in Colusa do, as well.

1 Water everywhere, particularly here in the west,  
2 is a scarce resource and a scarce commodity. That  
3 is not unique, especially in a county and a region  
4 that is largely agricultural production. It is  
5 very sensitive to you, and it is something that's  
6 very sensitive to us.

7 Typically plants that are designed will  
8 use around 5000 or so acrefeet of water a year,  
9 5000 acrefeet of water a year to cool their  
10 facility. We're proposing to use what's called a  
11 dry/cool technology. And dry/cool technology  
12 employs large fans that basically turn, like a  
13 huge ceiling fan, that cool the plant. It reduces  
14 our water consumption by 90 percent down to  
15 roughly 300 acrefeet of water. If I'm not  
16 mistaken, that's roughly the amount of water it  
17 takes to farm 100 acres of rice.

18 So that's something we're pretty proud  
19 of and we wanted to highlight that tonight as part  
20 of our presentation.

21 Additionally, we are using what's called  
22 a zero liquid discharge technology. For those of  
23 you familiar with power plants you understand  
24 that. In most cases power plants will discharge  
25 the water that they use to cool the facility.

1       We're proposing not to do that. We will recycle  
2       that water as much as possible. And then when it  
3       cannot be used anymore, it will be trucked offsite  
4       and disposed of properly at a facility licensed to  
5       handle wastewater discharge.

6               We're also using, as a part of this  
7       project, GE turbines. The class of turbines we're  
8       using are some of the lowest emission turbines on  
9       the market today. And our emissions level will be  
10      extremely low.

11             We have air quality experts that are  
12      here tonight with us that can help answer  
13      questions if you have concerns about the emissions  
14      levels of the plant.

15             In a part of the California rules and  
16      the CEC process we're required to have a zero net  
17      increase in pollutants when you build a power  
18      plant. And what that means is our power plant  
19      will emit what it's supposed to emit. We've taken  
20      every precaution we can to reduce the emissions  
21      significantly. But still, there will be some  
22      emissions in the area.

23             Well, we have to offset that. So what  
24      we're proposing to do is two primary programs.  
25      The first, we're proposing to repower a large

1       portion of the Delevan Compressor Station.

2               If you've ever seen that, you've seen  
3       three big buildings out at the Delevan Compressor  
4       Station. Two of those buildings house 1960  
5       vintage compressors. These are gas compressors.

6               Back in 1960 there was not a great deal  
7       of stringent emission control technology placed on  
8       those units. So you have those today emitting a  
9       great deal of pollutants into the air.

10              We're proposing to repower those two  
11       compressors, significantly and dramatically reduce  
12       the number of emissions that are coming out of  
13       that plant will be the first package we're  
14       offering to do, proposing to do, -- the California  
15       Energy Commission.

16              And secondly, we're looking to  
17       agriculture burn credits in the Colusa and Glenn  
18       area. All of you that are farmers understand the  
19       limits the state has put on burning rice,  
20       safflower and wheat and other crops. And we'll be  
21       looking towards purchasing credits from farmers in  
22       the local area to help us offset the remaining  
23       portion of our power plant.

24              If you look up here there are two  
25       drawings. This first one Chris is walking to is

1 standing on the feeder road of Interstate 5  
2 looking west towards the PG&E Delevan Compressor  
3 Station. And what we have done, and it's hard to  
4 see, I know, in the back of the room, but please  
5 walk up tonight and take a look at this, we have  
6 visually simulated what the power plant would look  
7 like in its natural setting.

8 So, if you're standing at I-5 this is  
9 what it would look like if you look due west  
10 towards the compressor station.

11 And, additionally, on the right-hand  
12 side, the far right-hand side, is a computer  
13 generated model of what the plant would look like  
14 up close. And you can see the two large turbines  
15 there. And there's a smaller turbine just to the  
16 right. And then the large structure in the back,  
17 those are the large fans I was describing. Those  
18 are the things that will be used to primarily cool  
19 the facility.

20 So, while we're conserving water in a  
21 large way, there will be a larger structure  
22 associated with the project in order to accomplish  
23 that. So hopefully that provides some insight  
24 into what the plant would look like, and also what  
25 it would look like from Interstate 5.

1                   Now, Chris touched on some of the  
2                   benefits that we believe this power plant brings  
3                   to you here in Colusa, as well as the State of  
4                   California.

5                   Clearly we've all seen over the past  
6                   year the power shortage that exists in California.  
7                   This plant will go directly to helping solve that  
8                   problem. Chris mentioned property taxes. From  
9                   our estimations the property taxes that will be  
10                  generated from this particular facility will  
11                  increase the 2000/2001 County property tax budget  
12                  by roughly 20 percent. So it's a large increase  
13                  in property tax revenue that the County will be  
14                  receiving.

15                  And as Chris pointed out, it's important  
16                  to note that that property tax increase to the  
17                  County is not going to be offset by an influx of  
18                  employees and residents that the plant will bring  
19                  here.

20                  At the end of the day when the plant  
21                  goes into commercial operation there will be 22 to  
22                  25 full-time employees running the plant. So, as  
23                  you can see, there will be a big residual left for  
24                  the County in property tax revenue.

25                  Additionally, there will be jobs created

1       during construction. Construction supplies,  
2       construction materials will be purchased locally  
3       when available and when applicable.

4               And the fourth benefit that I wanted to  
5       mention kind of goes back to what I discussed  
6       early on, about the difference in northern and  
7       southern California with power. Having a plant in  
8       northern California, having a plant sitting here  
9       in Colusa will help provide grid support and  
10      voltage support.

11             The power gets consumed where electrons  
12      flow, and electrons will be consumed in the path  
13      of least resistance, so a lot of those will  
14      actually be consumed here, even if some are sold  
15      into the Bay Area. So it will benefit you in grid  
16      support and voltage support here in the local  
17      area.

18             Chris said something that I really want  
19      to echo in closing here, and it sort of draws a  
20      parallel with the Energy Commission. We do have  
21      an open-door policy. That's a code of conduct  
22      that we follow. We look forward to working with  
23      you going forward in the next few months to  
24      address the questions and concerns that you have.

25             We're excited about the California



1       Energy Commission process. Believe me, they leave  
2       no stone unturned, based on the work we've had to  
3       do to date to prepare our application. We have  
4       full faith that they can analyze this project and  
5       help us communicate the impacts, potential  
6       impacts, what we're doing to mitigate those  
7       impacts to the County.

8               So, again, I'd like to thank you all for  
9       coming out tonight. We look forward to answering  
10      questions. And I tell you, there's one group of  
11      people I did not introduce when I started, and to  
12      avoid making my life difficult, we have a group of  
13      people that are from URS and Reliant Energy that  
14      are experts in various fields. They're here  
15      tonight in the audience. And I want to thank them  
16      for coming out and also offer their support in  
17      answering questions tonight.

18             Thank you.

19             HEARING OFFICER SHEAN: Thank you. All  
20      right, let's go to the Energy Commission Staff,  
21      please.

22             MS. CHEW: Good evening, my name is  
23      Kristy Chew. I am the Energy Commission Siting  
24      Project Manager for this case. And I hope you all  
25      in the back can hear me, but I've been told many

1 times by others that my voice tends to be soft, so  
2 I apologize. And I welcome you to please come up  
3 if you cannot hear me. I will try to do my best.

4 I will be speaking regarding the Energy  
5 Commission Staff process for the evaluation of  
6 this project. And my presentation, there are  
7 copies of it on the back table, and it looks like  
8 this. So, if you'd like to follow along with me,  
9 I encourage you to pick up a copy. And if you  
10 have run out of copies perhaps you can share with  
11 a neighbor.

12 (Pause.)

13 MS. CHEW: Okay. I'd like to thank you  
14 from the staff, thank you for attending this  
15 meeting. I really appreciate your attendance and  
16 your input. And I look forward to working with  
17 you in the future.

18 I'd like to introduce other Energy  
19 Commission Staff present tonight. To my left is  
20 Ms. Darcie Houck; she is Staff Counsel on this  
21 project. And to my right is Paul Richins, the  
22 Senior Project Manager for the Energy Commission.

23 Going to page 2 of the presentation, the  
24 purpose of the siting process. The purpose is to  
25 insure that a reliable supply of electrical energy

1 is maintained at a level consistent with the need  
2 for such energy for the protection of public  
3 health and safety, for the provision of the  
4 general welfare, and for environmental quality  
5 protection.

6 The certification process is a three-  
7 step process. First there is the staff analysis  
8 of the project. Then there is the Committee  
9 analysis of the project. And as Garret Shean  
10 probably mentioned earlier, the Committee is a  
11 two-person Committee out of the five-person  
12 Commission. So the full Commission is a member of  
13 five individuals that were appointed by the  
14 Governor. And then the last step of the process  
15 is an actual Commission decision.

16 My discussion tonight is to focus on the  
17 staff analysis portion of the process.

18 Page 3, Energy Commission's role. The  
19 Energy Commission, as Garret mentioned, has the  
20 authority to permit thermal power plants that are  
21 50 megawatts in size or greater. We also have the  
22 permitting authority for all related facilities  
23 for that power plant, such as transmission lines,  
24 water supply systems, natural gas pipelines, waste  
25 disposal facilities, and access roads.

1                   The Energy Commission also serves as the  
2                   state lead agency under the California  
3                   Environmental Quality Act, otherwise known as  
4                   CEQA, as more folks may be aware of.

5                   Page 4. Staff's analysis of the  
6                   application for certification. In our analysis we  
7                   determine if the project is in compliance with all  
8                   laws, ordinances, regulations and standards that  
9                   apply to the project.

10                  We also conduct environmental and  
11                  engineering analysis of the project. We identify  
12                  issues that may need further research or  
13                  resolution prior to certification or approval of  
14                  the project. We evaluate alternatives to the  
15                  project, no-project alternative, possibly an off-  
16                  site project alternative, or modifications to the  
17                  actual project, itself.

18                  We identify mitigation measures to  
19                  reduce any impacts to a less than significant  
20                  level. We also recommend conditions of  
21                  certification.

22                  Another important role that staff  
23                  provides is we facilitate public and agency  
24                  participation. We hold workshops throughout the  
25                  process on our documents, on our analysis. We

1       produce two documents. One is the staff  
2       assessment, and also the staff assessment  
3       addendum, if necessary.

4               And a staff assessment, if more you're  
5       familiar with, it would be similar to an  
6       environmental impact report.

7               We also make recommendations to the  
8       Committee. The analysis within the staff  
9       assessment covers the construction and operation  
10      of the plant throughout the plant's life,  
11      including facility closure.

12              On page 5, throughout our analysis we  
13      work closely with local, state and federal  
14      agencies. For this particular project we're  
15      working closely with Colusa County, the Colusa  
16      County Air Pollution Control District, the state  
17      agencies, the Air Resources Board, the California  
18      Department of Fish and Game, and federal agencies  
19      such as Fish and Wildlife Service, the  
20      Environmental Protection Agency and the U.S. Army  
21      Corps of Engineers.

22              Page 6. Our staff assessment covers a  
23      number of environmental topics. They are listed  
24      on page 6. And if anybody has any questions about  
25      them, we can talk about them afterwards.

1                   On page 7, we also analyze engineering  
2                   subject areas. We have engineers on staff that  
3                   evaluate the project in the areas of efficiency,  
4                   facility design, geologic hazards, reliability and  
5                   transmission system engineering.

6                   Page 8 is a diagram of how the  
7                   information gets transferred to the staff so we  
8                   can do our analysis. So we are at the center box.  
9                   We produce the staff assessment; that's the large  
10                  document with all the environmental and  
11                  engineering analyses inside.

12                  We get information from the applicant.  
13                  Reliant Energy has supplied a great deal of  
14                  information to staff already. We obtain  
15                  information from any intervenors on the project,  
16                  the public, and also from local, state and federal  
17                  agencies.

18                  I would like to point out that staff is  
19                  an independent party to this process, just as the  
20                  applicant is, and also the intervenors, all  
21                  independent parties. If you would like any more  
22                  information on how to become an intervenor,  
23                  Roberta Mendonca, the Public Adviser, can help  
24                  assist you in becoming one.

25                  On page 9. After staff has produced the

1       staff assessment, our document, we will hold  
2       public workshops on that document to allow the  
3       public and/or agencies to provide any comments on  
4       the document. Staff is available to go into  
5       dialogue with anybody that wants to attend the  
6       workshops. And new analysis that needs to be  
7       performed, or any modifications to the staff  
8       assessment would be produced in a staff assessment  
9       addendum, another separate document.

10               That document is then taken by the  
11       Committee, which also has the staff  
12       recommendation, and is used in the Committee's  
13       analysis of the project.

14               So the Committee holds evidentiary  
15       hearings after the staff assessment has been  
16       completed, and they take testimony from staff,  
17       which is in the form of our staff assessment,  
18       testimony from the applicant, any intervenors; and  
19       they also take public comment from the public and  
20       local and state and federal agencies.

21               The Committee will consider all  
22       testimony and comments when preparing their  
23       analysis, and they provide their analysis in the  
24       form of the Presiding Member's Proposed Decision.  
25       That, too, is another lengthy document which

1 contains their analysis on environmental impacts,  
2 as well as engineering.

3 There is a 30-day public comment period  
4 on the Presiding Member's Proposed Decision, so  
5 the public is welcome to review the document and  
6 to enter into any dialogue with the Commission and  
7 provide your concerns or support to the project.

8 The Presiding Member's Proposed Decision  
9 is the Committee's analysis of the project and  
10 provides its recommendation on the proposed  
11 project.

12 Page 10. The final decision on the  
13 project is made by the full five-member  
14 Commission. The full Commission takes into  
15 consideration all the comments from all the  
16 previous work that was done before. They take the  
17 staff comments, applicant comments, intervenor  
18 comments, comments from the Presiding Member's  
19 Proposed Decision, the public and local agencies  
20 and state agencies and federal agencies.

21 And, Garret, my next slide was the  
22 schedule. Would you like me to go over that now  
23 or would you like to wait and go over that later?

24 HEARING OFFICER SHEAN: We'll go over  
25 that a little bit later.



1 MS. CHEW: Okay. Also, the issues  
2 identification report. Would you like to go over  
3 that now or --

4 HEARING OFFICER SHEAN: Sure.

5 MS. CHEW: Okay. On September 14th the  
6 Energy Commission Staff prepared a report called  
7 an issues identification report. There are copies  
8 of it at the back table for anyone that would like  
9 to receive a copy.

10 The purpose of the report was to inform  
11 participants of potential issues and to provide an  
12 early focus on those issues that need resolution  
13 or additional research prior to a decision being  
14 made on the project.

15 The criteria for being included in the  
16 report would be impacts that would be difficult to  
17 mitigate, any noncompliance issues with laws,  
18 ordinances, regulations or standards, if an item  
19 is potentially contentious, or if an issue may  
20 impact the project schedule. Also the report is  
21 available on the CEC website if there are not  
22 enough copies on the back table.

23 In brief summary the potential issues  
24 identified by staff in the report have to do with  
25 air quality, biological resources, land use and

1 transmission system engineering. That's listed on  
2 page 13 of the handout.

3 Air quality, as Brian had mentioned  
4 before, there are emission reduction credits that  
5 need to be obtained by the applicant. Without  
6 those, or if there is a delay in obtaining those  
7 credits, then the air district may be delayed in  
8 issuing a final determination of compliance prior  
9 to evidentiary hearings starting.

10 Biological resources. The project may  
11 impact federally listed species such as giant  
12 gartersnake, vernal pool fairy shrimp, vernal pool  
13 tadpole shrimp. A biological opinion, another  
14 report, is required by the U.S. Fish and Wildlife  
15 Service. And it is unknown at this time whether  
16 the Fish and Wildlife Service can finish their  
17 biological opinion prior to the start of  
18 evidentiary hearings.

19 Land use. This project requires several  
20 approvals from the County, a general plan  
21 amendment, a rezone and a tentative map. County  
22 approvals may take some time to work through and  
23 to obtain. County approvals may not be received  
24 in time for the evidentiary hearings, as well.

25 The last item is transmission system

1       engineering. A final Pacific Gas and Electric  
2       transmission system impact study is expected to be  
3       received sometime October or November of this  
4       year. And if that report is not received in a  
5       timely fashion, staff may not have enough time to  
6       evaluate the report and to convey the findings  
7       into our staff assessment.

8               If staff does not find adequate  
9       resolution to these issues, if we find that it  
10      delays the schedule, then staff may petition the  
11      Committee to remove this project from the six-  
12      month process and place it into the 12-month  
13      process. The project could still be certified in  
14      less than 12 months. However, the 12-month rules  
15      would apply.

16             On Wednesday, two days from now, on  
17      September 26th, there will be a public workshop to  
18      discuss these issues, as well as a plume issue,  
19      and as well as a potential fire issue. Anyone is  
20      welcome to attend. There are flyers on the back  
21      stating when and where the meeting will be held.  
22      It will be at 10:00 a.m.

23             Starting on page 14 is a discussion of  
24      the public process. To reiterate, this is a  
25      public process. Workshops and hearings are held;

1 notices of the hearings and workshops are sent 10  
2 to 14 days in advance. And if you'd like to be on  
3 the mailing list please sign up on the sheet back  
4 there and we will make sure that you are notified  
5 of all hearings and workshops.

6 Documents are also available at the  
7 Colusa Public Library, and also at other state  
8 repositories throughout the state. They're also  
9 available at the Energy Commission, itself, and on  
10 the website. And all the information is listed on  
11 page 14.

12 Page 15, how you can participate.  
13 Submit written comments at any of these workshops;  
14 you can mail them in. You can make statements at  
15 public workshops, such as this one, or at  
16 hearings. You can become a formal intervenor and  
17 the Public Adviser can assist in becoming one.  
18 And also provide comments on the written staff  
19 assessment and the Presiding Member's Proposed  
20 Decision.

21 Comment forms are available in the back.  
22 You can fill them out tonight, if you'd like. Or  
23 you can take one home and fill it out at your  
24 leisure and mail it in to us.

25 The last page, page 16, is just some

1 contact information. There's information how to  
2 contact me if you have any questions regarding  
3 staff assessment, how to contact the Commission  
4 Hearing Officer, Mr. Garret Shean, and the Public  
5 Adviser, as well as Brian Walker, Reliant's  
6 Project Manager's contact information is provided,  
7 as well. So if you have any questions regarding  
8 the project feel free to contact one of us and we  
9 can make sure that we get an answer to your  
10 question, or we direct your question to the right  
11 person.

12 Thank you.

13 HEARING OFFICER SHEAN: Thank you. Let  
14 me just mention a couple of things that occurred  
15 to me during the staff presentation, too.

16 Since Ms. Chew used the words testimony  
17 and evidentiary hearings I don't want you to freak  
18 out. This is not a highly legalistic process.  
19 Our goal is going to make it so that this doesn't  
20 turn into the regulatory equivalent of "People's  
21 Court" or "Perry Mason".

22 Our goal is to identify and resolve  
23 problems. It's been my recent experience that if  
24 you approach our process that way, that you can do  
25 that to the mutual satisfaction of the parties.

1 And that's going to be our goal.

2 So, I don't want you to think, by virtue  
3 of the fact that you may see the words testimony,  
4 evidentiary hearings, cross-examination or any  
5 other thing like that in any Commission documents  
6 that you have to go out and hire a lawyer to be an  
7 effective participant in our proceeding. That is  
8 not the case.

9 With that, let me give a little pitch as  
10 if I were the Public Adviser. Again, Ms.  
11 Mendonca's cards are in the back.

12 If you want to participate you may do so  
13 at several different levels. If you just want to  
14 monitor what's going on you can get on the United  
15 States Postal Service mailing list; you can get on  
16 the list server, which you will be informed by  
17 email.

18 The next step up is if you want to  
19 submit written comments or comments via email you  
20 can do that, to the staff, or to me, and we will  
21 attempt to respond to them appropriately.

22 If you want to go beyond that, at some  
23 point if you determine you have an interest that  
24 is so vital that you need to participate in this  
25 proceeding as a party, you may do that.

1                   You do not have to have an attorney to  
2                   do that, but what it essentially entitles you to  
3                   is the receipt of all the information that is  
4                   being passed back and forth between the staff and  
5                   the applicant in the proceeding.

6                   So you will need a large mailbox and  
7                   good eyesight. But that will at least keep you  
8                   absolutely up to date with everything that's going  
9                   on. And with intervenor status, you are also  
10                  entitled to come into the proceeding and help fill  
11                  someone else's mailbox with the information that  
12                  you want the Commission to take into consideration  
13                  in its final decision.

14                 You would have the opportunity to  
15                 present evidence or testimony at an evidentiary  
16                 hearing. And possibly cross-examine other  
17                 witnesses. Now, whether or not our proceeding  
18                 will rise to that level of legalist combativeness  
19                 we'll wait and see. But our goal is to prevent  
20                 that.

21                 But that is what is intervenor status  
22                 does for you. And all you need to do is to fill  
23                 out a form. You can do that with the assistance  
24                 of the Public Adviser or me, and we will consider  
25                 it and it is the Committee's function to grant

1        intervenor status. It usually is not denied. And  
2        then you can participate at that level in the  
3        proceedings.

4                So, you have a vast range of levels at  
5        which you can participate. But we want to, if you  
6        feel you do want to participate, encourage you to  
7        get it, you know, vote early and vote often, and  
8        get your petition to intervene in.

9                We now will go to the County. If any of  
10       you ladies or gentlemen from the County, whether  
11       it's the Board of Supervisors or the Planning  
12       Department, or any other department within the  
13       local government here has anything you'd like to  
14       say, please come up.

15               COUNTY SUPERVISOR WAITE: I'm Supervisor  
16       William Waite, W-a-i-t-e. I represent the Fourth  
17       District, which is that area, involved in farming.  
18       You might have met our harvesters going down the  
19       road today. I was the lead harvester, I missed  
20       you, but, okay.

21               I've lived in Maxwell all my life, so I  
22       live within four miles of the site for 50 years  
23       and farm within three-quarters of a mile of the  
24       site. So, I'm very well aware of the site.

25               There has been some concern raised when



1       this thing was first proposed, when I first heard  
2       about it, maybe last fall, that, you know, you got  
3       some little slight valleys in there. The thing  
4       was going to be built in the valley, it was not  
5       going to be seen from the thing.

6               Well, the latest conceptions I've seen  
7       it was on top and basically really overwhelmed  
8       even the compressor plant. So, that site drawing,  
9       well, maybe if you're from Delevan it would be,  
10      but you get closer to the hills, it gets much  
11      larger. I think you need to look at that. You  
12      got plenty of area there to look at to work on.

13             And there's also been some concerns  
14      raised about the air pollution. Even though you  
15      are getting credits you're still concentrating.  
16      And there's a lot of -- some just fear the  
17      unknown, they need some answers. There's some  
18      very legitimate concerns here tonight. I think  
19      they just need answers.

20             Part of them is Les Fife, a contractor  
21      with the County, to do -- he's going to perform an  
22      air pollution study and submit it. And maybe some  
23      of these answers will be. But I think they have  
24      legitimate questions here, and I think we'd like  
25      to have you listen.

1 I think it's an important plant, though.  
2 For the site, you've got, as opposed to Calpine,  
3 similar size, but you have half a mile of  
4 transmission lines, probably a quarter of a mile  
5 of gas lines. You don't have a -- but there are  
6 some concerns. And also you need to look at the  
7 County, and maybe even look at the Municipal  
8 Utility District, and working with them.

9 And also I don't know if this is our  
10 last chance for the County input. I think you  
11 still always need County input, because we're the  
12 closest to the people who have the concerns. I  
13 think it's important that they work with the  
14 people and listen to their concerns.

15 HEARING OFFICER SHEAN: Let me make it  
16 exceptionally clear to you and all the other  
17 County Officials. This is not the last  
18 opportunity for you, it's the first official  
19 opportunity. So there are many opportunities yet  
20 to come.

21 COUNTY SUPERVISOR WAITE: Well, I just  
22 hope we don't get forgotten in the rush of  
23 everything. Because I know right now they're  
24 starting to get a faster process. Well, we're  
25 some concerns this faster process is going to pass

1       us by, and we'll still have concerns but we won't  
2       be able to have much input.

3               HEARING OFFICER SHEAN:  No, not so.

4               COUNTY SUPERVISOR WAITE:  So, no, I  
5       think it's a project, I think it's worthwhile, but  
6       I think there's a lot of questions that need to be  
7       answered.  And I see some people here who have the  
8       questions.  So, thank you for listening.

9               HEARING OFFICER SHEAN:  Thank you.

10              MR. ALLEN:  Can I make one comment on  
11       Reliant's behalf.  We definitely want to answer  
12       the questions, and we're beginning a process that  
13       will have us become more high profile in public,  
14       and addressing questions and getting feedback from  
15       the community.  Demonstrating to you in a  
16       scientific way that the air quality is not going  
17       to be impacted in a manner that has any negative  
18       impact, even in that local area.

19              We'll also get a little more detail on  
20       the plant layout.  I'm sure tonight we don't want  
21       to get into engineering and all that, but we moved  
22       the plant to where it's currently located for a  
23       number of reasons.  One being we had certain  
24       environmental issues that we had to deal with.

25              But Reliant Energy wants to work with

1 the community; they want to work with the County.  
2 Reinforce what the CEC is saying that this is just  
3 the beginning. And we're not going to run ahead  
4 of anybody. We're just starting the process.

5 COUNTY SUPERVISOR WAITE: But also  
6 there's another thing on Delevan Road be your main  
7 road for bringing in equipment and construction,  
8 and that thing is going to have to take a hard  
9 look. Because it is deteriorating quickly  
10 already. It's going to deteriorate quicker after  
11 that.

12 MR. ALLEN: Absolutely. We're going to  
13 have to do things as they relate to infrastructure  
14 to allow us not only to build the plant and move  
15 heavy equipment, but also to restore or at least  
16 take that road back to where -- it probably will  
17 be better at the end of the day, because we're  
18 going to have to do things that are necessary to  
19 facilitate moving big turbines and HRSGs and heavy  
20 equipment.

21 So where you'll end up is the road  
22 structure out there will be better than what it is  
23 today. We certainly accept that responsibility.  
24 We have to do that.

25 COUNTY SUPERVISOR WAITE: Okay, thank

1       you.

2                   MR. ALLEN:   Thank you.

3                   COUNTY SUPERVISOR WHITE:   I want to make  
4       clear before I say another word that the reason I  
5       came here this evening was to listen to the  
6       public.  I'm really particularly interested to  
7       know what they think and what they have to say.

8                   But I can say this, I have, generally  
9       speaking, always been an advocate of economic  
10      development.  We won't know what detrimental  
11      things will happen from this development until  
12      after the CEQA process is completed.  There's no  
13      way for us to determine that at this time.  We'll  
14      be given the CEQA report later.

15                  On the face of it, in the beginning,  
16      yes, I think this is an ideal way to economically  
17      develop Colusa County.  And I welcome the  
18      opportunity to concern myself with it.

19                  But I don't want to go any further than  
20      that, because as I said before, I'm here to learn  
21      and listen.  And I learn better when my mouth is  
22      closed.

23                  HEARING OFFICER SHEAN:   Thank you, Mr.  
24      White.  Anyone else from the County?  Or any other  
25      local jurisdiction?  Yes, sir.

1                   CITY ADMINISTRATOR LEWIS: My name is  
2           George Lewis. I'm the City Administrator in  
3           Williams, California, a position that I've held  
4           for a brief period. I'm going on my third month  
5           right now.

6                   I spent 25 years in Oregon land use and  
7           managing small cities in Oregon. One of those  
8           cities owned and operated its own electric  
9           distribution system, and I can tell you that the  
10          water crisis that California and the Pacific  
11          Northwest is facing right now was actually  
12          discussed 13 years ago at a BPA/Army Corps/  
13          Generator conference that I attended, one of my  
14          first as an electric utility manager.

15                  At that conference it was proposed that  
16          alternative energy sources be looked at and  
17          considered. And it was basically described that  
18          hydro power was the way to go; and alternative  
19          energy sources at the time really didn't have a  
20          place in the discussion. Which, I think, is  
21          unfortunate considering where we are today.

22                  I'd like to let you know that there's  
23          been enough discussion within the City of Williams  
24          about this proposed project that the Mayor  
25          directed me to have a resolution prepared in

1 support of the project for our October 10th City  
2 Council meeting.

3 The second point I'd like to cover is  
4 that I've had experience in terms of dealing with  
5 high tech industry that is very reliant on  
6 electrical energy. When I came to my job in  
7 Williams I contacted a firm that I'd been working  
8 with in Oregon. They build large internet server  
9 centers. And they have very specific siting  
10 requirements.

11 You've read a lot, maybe you've heard a  
12 lot about converting warehouse space to server  
13 facilities. Those types of facilities are  
14 probably going to give way to larger secure  
15 facilities for providing protection for internet  
16 service.

17 I can tell you, matter of fact I can  
18 reiterate the response from this one firm that I  
19 was hoping to attract to this area that northern  
20 California is considered an energy deficient area  
21 right now.

22 You can have all of the fiber service,  
23 all of the dark fiber, large fiber cables,  
24 transPacific fiber cables that you can imagine,  
25 but if you're energy deficient you can't attract

1       this type of industry to this area. Even though  
2       other locational factors make it highly desirable.

3               The next point that I would like to  
4       speak to is even though I've been a brief resident  
5       of California, I've already been introduced to the  
6       economic development issue that high tech industry  
7       is moving along the 680 corridor and the 580  
8       corridor out of the Silicon Valley.

9               They're gravitating more towards areas  
10       where there's greater energy reliability.  
11       However, if you take this northern California  
12       area, you take California as a geographical area,  
13       they're nervous about wherever they go in terms of  
14       siting issues. You cannot have this type of  
15       industry in this state and introduce energy  
16       insecurity into their operation and business  
17       location plans.

18               Third -- actually, finally, I'd like to  
19       speak to the issue of the LORS as described in the  
20       staff report. There is a local Colusa County  
21       strategic action plan, I believe it's for economic  
22       development.

23               And while my comments tonight are brief  
24       and somewhat superficial, our future comments will  
25       be looking to addressing that local strategic



1       action plan. And also if there are any state  
2       economic development goals or guidelines which  
3       might apply to this type of project.

4               I know there have been some policy  
5       development issues. Maybe the energy staff has  
6       been involved in those issues as it relates to  
7       developing a more reliable source of power in  
8       California.

9               Anyway, those are my comments. We'll be  
10      sending you a copy of the resolution to go into  
11      the record. And we will also be at future  
12      meetings.

13              Thank you.

14              HEARING OFFICER SHEAN: Thank you, Mr.  
15      Lewis.

16              Any additional comments from local  
17      government? Are there any current intervenors  
18      here who would like to make some comments?

19              MS. STANFIELD: I am Sky Stanfield and  
20      I'm here with the California Unions for Reliable  
21      Energy. And we're observing everything today. We  
22      don't have any specific comments at this time, but  
23      you'll see us later on. Thanks.

24              HEARING OFFICER SHEAN: Thank you. Let  
25      me just indicate CURE is a frequent intervenor in

1       our proceedings. They generally have done a good  
2       job of representing their interests and keeping  
3       tabs of the Energy Commission's process. So, we  
4       welcome you to this particular proceeding.

5               MR. ALLEN: Also I'd like to go on the  
6       record, if I could, that we are actively involved  
7       with CURE. We have had numerous discussions to  
8       date. Matter of fact, our operating group is  
9       already working on a stand-still agreement.  
10       They're pretty far advanced. Probably within a  
11       week to ten days we'll be naming an EPC  
12       contractor.

13               So we also welcome them to the  
14       proceeding, and we are actively engaged in  
15       dialogue. And even to the extent they were nice  
16       enough to take a day with us and show us some of  
17       the trade unions. And we were very favorably  
18       impressed with their capability.

19               So, it's a group that we will currently  
20       work with in order to insure that they're an  
21       integral part of the process.

22               HEARING OFFICER SHEAN: Now unless  
23       there's any other potential intervenor who wants  
24       to comment what we'd like to do is throw the  
25       meeting open to the public and get your input.

1       Okay.

2                   MR. GABRIELLI: I just need to make a  
3       couple of remarks. My name is John Gabrielli. We  
4       submitted, myself, along with a fellow named Shawn  
5       Smallwood, have submitted some written comments.  
6       We don't need to expound on those.

7                   But we were advised that perhaps Reliant  
8       would have some response to our concerns at this  
9       meeting. So maybe we can hear.

10                  MR. ALLEN: First of all, we had an  
11       opportunity to talk today on the site, which I  
12       appreciate. And I want to offer again that  
13       Reliant Energy, as we go forward in this process,  
14       you know, certainly wants to continue and build on  
15       the dialogue that we started today to address your  
16       concerns.

17                  If the question you asked, sir, related  
18       to the zoning of 200 acres versus a smaller  
19       parcel?

20                  MR. GABRIELLI: Yes, exactly. That's  
21       our primary concern.

22                  MR. ALLEN: Okay. What we currently  
23       have under study, and we should be able to  
24       complete this within the next week, possibly the  
25       outside ten days. That we could take a much

1 smaller piece of property and zone that portion of  
2 the property, and we'd leave the balance, at this  
3 point in time, not rezoned from an agricultural  
4 use to an industrial use.

5 MR. GABRIELLI: Chris, we were very  
6 concerned about leaving the property that you're  
7 going to get the rezone on, just limiting that to  
8 the 27 acres that the plant is going to be on.  
9 That's our concern.

10 MR. ALLEN: Okay, it --

11 MR. GABRIELLI: Is that what you're  
12 talking about doing, then?

13 MR. ALLEN: Well, actually we're  
14 probably looking at 100 acres, and there are a  
15 couple reasons. Because we need, for example, an  
16 area for laydown. I mean for a project such as  
17 this some of these main components like the  
18 turbines and HRSGs are massive pieces of  
19 equipment. And that can be anywhere from 20 to 25  
20 acres.

21 And the reason we can't just kind of  
22 squish all that together in maybe a 60- or 70-acre  
23 block is on that 100-acre piece of property some  
24 of it currently has environmental issues related  
25 to it. So we have to create some buffer. And we

1       can't take that property, at least in our opinion,  
2       and utilize it for things such as laydown areas.

3               So, I would say the range of what we're  
4       looking at is between 70 and 100 acres. And then  
5       the balance of the 200 acres that we have under  
6       lease, you know, we're certainly open to not  
7       rezone that at this time.

8               I also want people, you know, hopefully  
9       to understand, we're in the power business. I  
10       mean that's basically what we do for a living.  
11       You know, we'll have probably by the end of next  
12       year 30,000 megawatts around the country. We're  
13       the fifth largest gas and electric company in the  
14       country, and that's our core business.

15               We're not going to go out there and  
16       build a WalMart or a manufacturing plant --

17               MR. GABRIELLI: Well, this would --

18               MR. ALLEN: -- or anything of that  
19       nature.

20               MR. GABRIELLI: What I'm hearing is  
21       comforting, but what I think, from what you say,  
22       you wouldn't be hesitant to give us a guarantee  
23       that the excess property over the 27 acres will  
24       not be used for further industrial development.  
25       That you will only keep it as part of your 27-acre

1 project, as an extension of it. Can we get that  
2 kind of guarantee?

3 MR. ALLEN: Well, first of all, again,  
4 we're looking at, as far as the primary piece of  
5 property, between 65 and 100 acres. We're going  
6 to probably need that.

7 I, at this point in time, think it would  
8 be premature to give any guarantees until we fully  
9 understand all the dynamics around the situation.  
10 But I would say that we would certainly entertain  
11 conditions as they relate to the additional  
12 property.

13 MR. GABRIELLI: And you have no intent  
14 at all to take that excess property and have it  
15 rezoned to industrial, and then used for let's say  
16 an outsider coming in and using it for another  
17 power plant or any other industrial project?

18 MR. ALLEN: Well, first of all, we  
19 probably wouldn't use it for somebody else's power  
20 plant. We're not particularly excited to have a  
21 competitor sit next door to us, but --

22 MR. GABRIELLI: For the expansion or  
23 construction of a second one.

24 MR. ALLEN: Yeah. We take that under  
25 consideration. I mean I think that it's certainly

1 something again that we'll look at conditions as  
2 it relates to the balance of the property.

3 But, I think where we are today maybe  
4 versus where the discussion was a week to ten days  
5 ago, that we are giving serious consideration to  
6 limiting a certain amount of acreage for just  
7 rezoning at this point in time.

8 MR. GABRIELLI: I'm not sure if you  
9 answered my question, but I'll accept that for  
10 now.

11 Our second concern was that the AFC just  
12 completely omitted some very vital information  
13 about some resources that are close to the plant  
14 and are going to be impacted by it. I think I  
15 mentioned to you, or I mentioned to John for sure,  
16 that we're concerned about that.

17 And to show you what those resources are  
18 we're willing to give you a tour of them, so that  
19 you can personally look at them and see what we're  
20 talking about. Because they have been left out.  
21 I'm sure it was an inadvertent error, but that's  
22 something that you should look at.

23 MR. ALLEN: No, we would welcome that,  
24 sir. Matter of fact, I think, as you and I talked  
25 about earlier today, I'm back next Sunday, I'll be

1       here early next week. I would welcome the  
2       opportunity with our team to go out and look at  
3       those resources.

4                You know, obviously be able to better  
5       understand what the concerns are around them so  
6       that we can then try to put together an action  
7       plan to deal with it.

8                MR. GABRIELLI: Okay, maybe we can  
9       arrange that after the meeting.

10               MR. ALLEN: Yes, sir, we could certainly  
11       do that if you want to start.

12               MS. HEICK: And I'd like the opportunity  
13       to bring a biologist along, as well as an air  
14       quality specialist to that tour, as well, so we  
15       can fully understand those concerns.

16               MR. GABRIELLI: No problem whatsoever.

17               MS. HEICK: Thank you.

18               MR. ALLEN: Yes, sir, I mean if you --

19               MR. GABRIELLI: We welcome it.

20               MR. ALLEN: -- want me to, maybe you and  
21       I can touch base after the meeting and we can  
22       arrange a time. John.

23               MR. GRATTAN: Just to clear the record,  
24       those resources that we're talking about are, in  
25       fact, specialty organic crops.



1 MR. GABRIELLI: I didn't hear that?

2 MR. GRATTAN: The resources that we're  
3 talking about are, in fact, specialty organic  
4 crops.

5 MR. GABRIELLI: Yes, the resources being  
6 crops, as well as -- sensitive crops, as well as  
7 sensitive operations that are going to probably be  
8 impacted by the operations.

9 MR. GRATTAN: I just wanted to make it  
10 clear that it's not endangered species, or it's  
11 not vernal pools.

12 MR. GABRIELLI: We don't know about that  
13 yet.

14 MR. GRATTAN: Well, we think we do, but  
15 anyway --

16 MR. GABRIELLI: We're not waiving  
17 anything. Thank you.

18 MR. ALLEN: No. Thank you.

19 MR. LITTLEJOHN: My name is Donald W.  
20 Littlejohn. I'm a member of the lawfirm of  
21 Littlejohn and Westfall of Colusa, and also  
22 represent the landowners that live to the south of  
23 the project, known as Emerald Farm.

24 My concern is a question that I want to  
25 know if I can take up at a later date with you at

1 the meeting on Wednesday, and that is whether or  
2 not the California Energy Commission is claiming  
3 to be the lead agency with reference to the  
4 amendment to the Colusa County general plan, which  
5 would then authorize the amendment of the zoning  
6 from exclusive ag to industrial.

7 That issue is important so that I'll  
8 know where to file my comments with the proper  
9 lead agency with relation to any proposed  
10 amendment to the general plan and the rezoning.

11 HEARING OFFICER SHEAN: My  
12 understanding, based upon what documentation I've  
13 seen, is that the Energy Commission, as the lead  
14 agency for the project, will prepare environmental  
15 documentation on the project, which will be used  
16 by the County, along with whatever other resources  
17 they choose to use, in reviewing the application  
18 for a rezoning and a zoning change.

19 MR. LITTLEJOHN: And I happen to agree  
20 with the Hearing Officer because it's our position  
21 that the County would be the lead agency with  
22 reference to the amendment to the general plan,  
23 and the rezoning. But may consider and adopt  
24 whatever the CEC may do, as well as other data.

25 In that regard what concerns me, and I'd

1       like to file with you at this time, is a copy of  
2       the industrial or M zone of the Colusa County  
3       code, which shows all the various activities that  
4       could take place on site, unless and if this be  
5       true that areas in addition to the footprint are  
6       going to be declared industrial, then the  
7       environmental impact report will have to cover all  
8       those possible activities that could take place on  
9       a property that is rezoned industrial.

10               I'm trying to find if I'm going the  
11       correct direction so I can file my comments to the  
12       CEQA document, and whether it should be done,  
13       since there was an application filed by Reliant  
14       with the County of Colusa for an amendment to the  
15       general plan, and also a check sheet under CEQA  
16       with regard to the amendment to the general plan  
17       and the rezoning.

18               It would appear to me that Colusa County  
19       would have the jurisdiction with relation to those  
20       sole issues of amendment to the general plan and  
21       rezoning.

22               HEARING OFFICER SHEAN: Well, let me  
23       connect a few dots here to the extent that we can  
24       foresee what they are.

25               What the Energy Commission has before it

1 is the power plant project on this particular  
2 site. We will not be, to the extent that I know  
3 it, considering any other industrial use on the  
4 site.

5 So that to the extent that the County  
6 relies upon our environmental documentation, that  
7 documentation would not support a zoning change  
8 for any use other than the power plant.

9 Now, whether or not they are in a  
10 position to limit the change, based upon that  
11 information and that limited environmental review,  
12 is a matter that's up to the County, I believe.

13 I would not essentially suggest that I  
14 could advise them with regard to that, but my  
15 belief is that the environmental documentation  
16 upon which they will rely from the Energy  
17 Commission will be limited solely to the power  
18 plant that's being proposed there right now.

19 MR. LITTLEJOHN: And that clarification  
20 answers my question, and I thank you very much.  
21 And I presume that I can discuss this further with  
22 you on Wednesday.

23 HEARING OFFICER SHEAN: I don't plan to  
24 be here Wednesday, but if you need to discuss it  
25 further with me, or if you think the matter is not

1 moved along sufficiently, it sounds as if it's  
2 under deliberation by Reliant, but as far as I  
3 know, the environmental documentation will not  
4 include any other industrial use that you've  
5 indicated might occur on the matter you've just  
6 submitted here.

7 Which, let me, just for the record, is  
8 section 4.12, which deals with industrial or M, as  
9 in Mike, zoning.

10 MR. LITTLEJOHN: Of the Colusa County  
11 zoning ordinances.

12 HEARING OFFICER SHEAN: Of the Colusa  
13 County code, here. All right.

14 MR. LITTLEJOHN: Yes. Thank you, sir.

15 MR. ALLEN: Sir, if I could, also, I'd  
16 like to clarify again, we're in the power plant  
17 business. We're only interested in having the  
18 piece of property necessary, or a piece of the 200  
19 acres to build a power plant. We have no other  
20 interest.

21 MR. LITTLEJOHN: I understand that. I  
22 represent agricultural people; I'm in it, myself.  
23 And we understand your position. We're not  
24 opposed to the power plant, per se, but we have  
25 issues here, environmental issues that need to be

1 discussed and clarified before we would concur or  
2 recommend to the Board of Supervisors to amend the  
3 general plan and the zoning ordinance, at the  
4 Planning Commission level, and later the Board.

5 MR. GRATTAN: Right, we understand --

6 MR. ALLEN: We fully understand that.

7 MR. GRATTAN: -- your position. And  
8 given the business that Reliant is in, I think we  
9 can come to terms as to what that document ought  
10 to look like, and how much --

11 MR. LITTLEJOHN: But the Hearing Officer  
12 has answered a question that has been debated  
13 between all of us for some time, and now I have  
14 the answer that I've been seeking. Thank you very  
15 much.

16 MS. HOUCK: And we will have our land  
17 use staff here on Wednesday to address this issue  
18 in more --

19 MR. LITTLEJOHN: Sorry, I couldn't --

20 MS. HOUCK: We will have our land use  
21 staff that will be doing the analysis for our  
22 environmental review here on Wednesday at the  
23 workshop so that this issue can be further  
24 discussed. And we have been talking with the  
25 County regarding what the environmental document

1 will include.

2 MR. LITTLEJOHN: Thank you.

3 HEARING OFFICER SHEAN: Yes, sir.

4 MR. EVANS: I have a question.

5 HEARING OFFICER SHEAN: Absolutely.

6 MR. EVANS: My name is Tom Evans, an  
7 interested citizen. I noticed in your materials  
8 that it said that the project requires County  
9 approval of a general plan amendment, rezoning and  
10 tentative map.

11 In the event that the Board of  
12 Supervisors and the Planning Commission determine  
13 that this is not a good idea, and will not approve  
14 these things, does the Energy Commission have the  
15 authority to override that and approve the plant  
16 anyway?

17 HEARING OFFICER SHEAN: Yes, sir. Under  
18 Public Resources Code section 25525, the Energy  
19 Commission has the authority, as the overarching  
20 state jurisdiction, to override a local land use  
21 designation, after making several findings that  
22 essentially are a fairly high hurdle that the  
23 applicant would have to jump.

24 It's basically that the facility is  
25 needed for the public convenience and necessity,

1           and there are not more prudent and feasible  
2           alternatives than the proposed project.

3                       MR. EVANS:   Okay.   And I'd like to make  
4           a suggestion that at future meetings would you  
5           bring a speaker.   Some of your people are soft-  
6           spoken, and are not heard in the back.

7                       HEARING OFFICER SHEAN:   All right.   And  
8           I think -- we didn't know the exact layout of this  
9           particular building, and now that we do, if we  
10          return here we will cover that, or we'll try to  
11          find some other building that is a little more  
12          speaker friendly.

13                      MR. EVANS:   Thank you.

14                      HEARING OFFICER SHEAN:   Thank you.  
15          Anybody else?

16                      Well, let me just say, based upon the  
17          site visit and the meeting this evening, it's very  
18          clear to the Committee we have some important  
19          issues that are before us here.

20                      Notwithstanding the fact that this is an  
21          expedited proceeding, I can tell you that we will  
22          be delving into them thoroughly and  
23          comprehensively.

24                      We know that there are issues that  
25          relate to local agricultural uses, and whether or



1 not this facility will impact them with their air  
2 emissions.

3 Also issues from local residents with  
4 respect to noise. We can see that there are  
5 potential issues with regard to the creek crossing  
6 and the rebuilding of the bridge to handle the  
7 heavier traffic that will be needed to construct  
8 the facility. And that there is this zoning  
9 matter, as well.

10 So, I think we have a fairly  
11 comprehensive view now of both the project and the  
12 issues that we'll have to deal with. We  
13 essentially will return to Sacramento and attempt  
14 to come up with a game plan.

15 Right now the game plan is this: That  
16 the staff will be asking for additional  
17 information from the applicant so that it may  
18 prepare its independent environmental  
19 documentation.

20 That documentation will be developed  
21 through a series of workshops which I'm sure they  
22 will be conducting here in the local area. They  
23 will make it available to you to review and  
24 comment upon, and then they will amend or revise  
25 it as they think is appropriate.

1                   And then both that document, as well as  
2                   information coming from the applicant, from the  
3                   County or anybody else, will come before the  
4                   Committee.

5                   MR. GABRIELLI: Can I ask a quick  
6                   question?

7                   HEARING OFFICER SHEAN: Yes.

8                   MR. GABRIELLI: No time limits have  
9                   expired for filing a petition to intervene, have  
10                  they?

11                  HEARING OFFICER SHEAN: No. And I can  
12                  tell you that notwithstanding anything else you  
13                  read in the Commission regulations, you will  
14                  basically have until about a week before the  
15                  evidentiary hearings, which is longer than I think  
16                  is provided in the regulations. Because we want  
17                  to maximize your ability to intervene in the  
18                  proceeding.

19                  It's not until just before those  
20                  hearings that there will be a cutoff. But you'll  
21                  know about that in advance, and it will be in a  
22                  notice provided by the Committee.

23                  MR. GABRIELLI: Now, as you may know,  
24                  let me ask one more quick one. As you may know,  
25                  the Planning Commission, the County Planning

1 Commission has put over the hearing on  
2 recommending whether or not this project will be  
3 approved until December.

4 Will that have any effect on the  
5 County's ability to exercise jurisdiction over  
6 this project? I mean will they be waiving  
7 anything if the six-month schedule goes by before  
8 they have their meeting?

9 HEARING OFFICER SHEAN: I would say  
10 this. It appears to me on the basis of what I  
11 know today, that the project currently does not  
12 comply with local land use designations.

13 Therefore, the Commission could not  
14 find, and the Committee could not put in a  
15 proposed decision that it complies with all  
16 applicable local laws, ordinances, regulations and  
17 standards.

18 Now, that is a necessary finding in  
19 order for us to go to the full five-member Board  
20 and ask for their approval.

21 In the absence of that finding one of  
22 two things has to happen. Either the local  
23 jurisdiction has to change its opinion with  
24 respect to compliance, and that could obviously  
25 happen through an amendment to the general plan

1       and a zoning change. Or, as we just discussed a  
2       minute ago, an override if that were sought by the  
3       applicant.

4               Now, first of all, the override process,  
5       itself, is fairly time consuming, and it's  
6       obviously much more adversarial than anything we  
7       would have gone through to this point.

8               And from what I understand, the  
9       applicant is not taking the approach that that's  
10      what it wants to do. It wants to work with the  
11      County and try to work this out.

12              And based upon what I've also heard it  
13      sounds as if Reliant would like to address the  
14      concerns of the public with regard to how  
15      comprehensive the zoning change would be, and to  
16      limit it to something that not only meets its  
17      needs, but accommodates the concerns of the  
18      public.

19              Now, an action by the Planning  
20      Commission or any other County body in December is  
21      not going to be a problem with respect to our  
22      process.

23              I think what I was going to indicate, as  
24      I got to a close here, was that on the matter of  
25      schedule, the way the staff has outlined the

1 schedule in the back of its issue identification  
2 report has hearings starting the week between  
3 Christmas and New Years.

4 Now, I don't want to do that to myself  
5 and --

6 (Laughter.)

7 HEARING OFFICER SHEAN: -- and I don't  
8 want to do that to you. All right?

9 So, I am going to suggest that the  
10 applicant and the staff discuss a revised schedule  
11 that begins those hearings more nearly immediately  
12 after Thanksgiving.

13 In order to do that, the applicant is  
14 going to have to perhaps accelerate some of the  
15 submittals that they have either to the federal  
16 Fish and Wildlife Service or the Air District or  
17 California Department of Fish and Game, or  
18 something like that.

19 It's going to put it under greater  
20 pressure, but my own opinion is that before we get  
21 into the hustle and bustle of Christmas shopping  
22 we could probably accommodate the hearing here and  
23 not put undue pressure on us or you with respect  
24 to the hearings.

25 So, right now, we're going to see if

1       they can work out a schedule, and you can have  
2       some input into it, as well, that would get us to  
3       a hearing phase after Thanksgiving, and before the  
4       start of serious Christmas shopping. But I do not  
5       want to do this between Christmas and New Years.

6               Now, if, for some reason, the  
7       informational requirements both of these other  
8       federal and state or local jurisdictions cannot be  
9       met in that timeframe, then we'll do it after the  
10      beginning of the new year.

11             But this project, on the whole, and let  
12      me just say from experience, and this is not based  
13      upon any determination or conclusion that I have  
14      reached, does not have any obvious show-stoppers.  
15      So it is a real question of how can the legitimate  
16      concerns, either of the public or the agencies  
17      that have a specific type of jurisdiction, such as  
18      biology, have those concerns addressed through our  
19      process, that either gains the agreement of the  
20      applicant to perform them, and the agreement of  
21      the staff that that is adequate mitigation, so  
22      that we can move forward that way.

23             And I think that is largely the mode  
24      that we're going to be in, because as I say, there  
25      are no obvious show-stoppers, so that we shouldn't

1       pretend that there are; nor should we pretend that  
2       the Energy Commission has not done just a slew of  
3       cases before, and that we are using our collective  
4       experience to tell us what it is that we think are  
5       potential problem areas for this particular  
6       project. And address them based upon not only our  
7       past experience, but the special knowledge that  
8       you people in the area have of your own local  
9       problems.

10                       So, that's pretty much where we are.

11                   MR. GABRIELLI: Let me confirm just one  
12       thing, as a last --

13                   HEARING OFFICER SHEAN: Sure. Well, I  
14       get paid to talk, you see, so --

15                   (Laughter.)

16                   MR. GABRIELLI: It is your position that  
17       the County is not precluded by any statute from  
18       conducting an environmental review, a CEQA review  
19       of the proposed rezone and the propose general  
20       plan amendment and the proposed subdivision map  
21       issuance? That is --

22                   HEARING OFFICER SHEAN: You know, I  
23       don't really have an opinion as to that. What I  
24       know is that we are the lead agency for the  
25       project.

1                   Now, whether they would be considered a  
2                   responsible agency under those circumstances, I'm  
3                   not sure.

4                   MR. GABRIELLI: Well, I think I heard  
5                   you say that you anticipated that the County would  
6                   go forward with its analysis. You're not saying  
7                   that you're going to let them go forward with  
8                   their review and then say that it was for nothing?  
9                   You're not taking that position?

10                  HEARING OFFICER SHEAN: When I indicated  
11                  that the County was going to go forward with its  
12                  review of the general plan amendment and the  
13                  zoning change, it was not that they would create  
14                  necessarily an independent CEQA process. But that  
15                  it was that using, as a responsible agency, the  
16                  documentation produced by the Energy Commission.

17                  And it will be the County's choice  
18                  whether that is the final staff assessment or the  
19                  staff assessment addendum, or the document  
20                  produced by the Committee, which would be the  
21                  Presiding Member's Proposed Decision.

22                  I don't want to prejudge which one they  
23                  feel is the one they should be relying upon.  
24                  That, to some degree, is going to be their  
25                  decision.



1                   Let me just indicate, there's only one  
2                   document in this process that requires a 30-day  
3                   public review period, and that is the Presiding  
4                   Member's Proposed Decision.

5                   So that if that were to indicate that  
6                   the matter of the general plan amendment and the  
7                   rezoning was pending before the County and would  
8                   be accomplished before either the end of the  
9                   comment period on the proposed decision, or before  
10                  the Commission anticipated taking action on that,  
11                  that would be sufficient.

12                  MR. GABRIELLI: Thank you.

13                  HEARING OFFICER SHEAN: Sure.

14                  MR. GRATAN: If I can add an opinion  
15                  here on the question that was asked, the way I  
16                  read the law, the Commission's work, the  
17                  Commission's environmental analysis is the  
18                  functional equivalent of an EIR, and that you  
19                  don't segment a project.

20                  And that document is what the County  
21                  will analyze in determining, in its discretion,  
22                  whether it will do the rezone or not. They have  
23                  unfettered discretion to say no to the rezone.

24                  Wait, just a second, counsel, just  
25                  taking a breath here.

1                   The next thing is that is the only  
2                   document that relates to the power plant  
3                   permitting.

4                   You raise a very good point, and Mr.  
5                   Littlejohn raises a very good point, and I take it  
6                   seriously, what about the other uses. What about  
7                   the other potential uses. What about, you know,  
8                   and there's a list here somewhere.

9                   We don't want to get into that. We  
10                  don't want to have the Commission or the County  
11                  have to deal with those other uses. And we'll  
12                  make it work.

13                 MR. ALLEN: As far as Reliant's  
14                 concerned, too, all we ask for is the ability to  
15                 work through the process on a timely basis. And  
16                 the County will make its own determination  
17                 ultimately whether they want to rezone the land or  
18                 not.

19                 I would like to also mention to you, we  
20                 have a lot of projects all over the west, all over  
21                 the United States. We are not going to get into  
22                 some massively delayed approval process. I mean I  
23                 will guarantee you that. We never have. All we  
24                 ask of the County is that they will go through the  
25                 process on a timely basis.

1                   And I guess the final comment I have is  
2                   you think your way through this process. Again,  
3                   I'm only in the power plant business. But we have  
4                   spent a fair amount of time researching these  
5                   server farms. Matter of fact we had a kind of a  
6                   task force with McKenzie to look at server farm  
7                   applications over a six-month period of time.

8                   And they are starved right now for  
9                   power. Particularly in northern California. This  
10                  is the area that logically the server farms have  
11                  been developed in and future ones need to be  
12                  developed in.

13                  Power plants like this power plant  
14                  provide that kind of reliability, because they  
15                  need instantaneous backup. They cannot afford  
16                  blackouts. They cannot afford interruptions.

17                  So, as the County thinks through how  
18                  they deal with these various issues as they relate  
19                  to other businesses, I mean my only recommendation  
20                  is you have to look at those in the context of how  
21                  these other businesses may ultimately benefit the  
22                  County.

23                  We're bringing in low-cost energy that  
24                  attracts a lot of business, and a lot of good  
25                  business that can be developed in the right way in

1 the County. And I don't think you want to limit  
2 some of those options.

3 As far as Reliant Energy is concerned,  
4 again, we just build power plants. We operate  
5 them. And we trade electricity and natural gas.  
6 And that's our business.

7 HEARING OFFICER SHEAN: Okay, from any  
8 other persons?

9 MR. MUSSETTER: Excuse me, Tom, I have a  
10 very important, serious, sober announcement. Bob  
11 Mussetter.

12 We bought a whole lot of food here, and  
13 if you've been all tied up in this important  
14 business, doesn't matter which side you're on,  
15 please come and eat some of it. Think of the poor  
16 starving people in the streets of Peiking as used  
17 to say, when I was growing up.

18 MR. EVANS: Okay, one last question.

19 HEARING OFFICER SHEAN: Sure.

20 MR. EVANS: I asked you about your  
21 authority to override the County in case it  
22 decided not to rezone.

23 I would like to ask Chris, also, if it  
24 reached that point and you decided to override,  
25 would Reliant come into the County under those

1 conditions?

2 MR. ALLEN: We probably would not. We  
3 have been faced with that in other places. And,  
4 quite frankly, if the County really is not  
5 interested in us being in the county, and the  
6 extra tax revenue, I think Brian -- I didn't  
7 realize, it's kind of a staggering number, I mean,  
8 you might want to sit back, it's a 20 percent  
9 increase in your current revenue base.

10 And if that and new jobs, the fact that  
11 we can, I think, demonstrate to you we're a good  
12 corporate citizen. I mean the other thing I'll  
13 offer you, we've built a number of a these power  
14 plants. We can take people, and a lot of them are  
15 in areas that are very similar to Colusa County.  
16 Quite frankly, most of the plants I've been  
17 involved in have been rezoning from agricultural  
18 to industrial usage.

19 But, no, sir, we're not going to get  
20 into a protracted war over it. Again, we're like  
21 any business. We're developing many options on a  
22 parallel basis. And, you know, if it becomes  
23 something the County doesn't want us, you know, we  
24 just don't see the benefit of going into some huge  
25 battle over that.

1                   But hopefully, again, we don't get to  
2                   that point. I think the dialogue has to float  
3                   both ways. I hope one thing that maybe we have  
4                   been able to convey today is that we have an open  
5                   mind and we do want to listen to people. That  
6                   process is just beginning. As the Hearing Officer  
7                   said, it is starting now. You're going to have  
8                   plenty of opportunities. So, at least allow us  
9                   the ability to address your concerns. And that's  
10                  all we can ask for.

11                 MR. EVANS: Thank you.

12                 HEARING OFFICER SHEAN: Anybody else?  
13                 We're going to gavel this to a close unless  
14                 someone has something they want to say.

15                 MS. HOUCK: I just wanted to make one  
16                 comment. It is our understanding that Reliant is  
17                 making every effort to work cooperatively with the  
18                 County. The big concern here I think is  
19                 timeframes within the expedited process.

20                 And I know that we've been in  
21                 conversations with the County, Reliant's been in  
22                 conversations with the County. And we also, as  
23                 Reliant had stated, want to make sure that the  
24                 project is in compliance with the LORS and work  
25                 with everyone.

1                   So, staff just wanted to state for the  
2                   record that we have concerns about going into  
3                   hearings prior to Thanksgiving, given the  
4                   timeframes the County has given us. But we do  
5                   believe that all parties here are acting in good  
6                   faith and working together and making every effort  
7                   to work with the community, address their  
8                   concerns, and to see that this project is the best  
9                   project that it can be.

10                   HEARING OFFICER SHEAN: Okay. I had  
11                   understood, or I thought I had indicated a little  
12                   bit after Thanksgiving would be satisfactory. But  
13                   just not right in the holiday season.

14                   MS. HOUCK: Because it was my  
15                   understanding the County may be looking at a  
16                   December date to address the land use and  
17                   zoning --

18                   MR. ALLEN: I don't think that date has  
19                   been --

20                   MS. HOUCK: -- and so I just wanted to  
21                   put out there that --

22                   MR. ALLEN: -- established. Somebody  
23                   put December out there, but from what I understand  
24                   there's not a hard and fast date.

25                   I think the critical document that still

1 needs to be produced, from what I understand, is  
2 the CEQA document so they have the ability to  
3 review that.

4 I think that's what came out of the last  
5 session with the County.

6 HEARING OFFICER SHEAN: All right.  
7 Well, you're up here in a couple of days. The  
8 County can be here. The parties can discuss the  
9 schedule and --

10 MR. ALLEN: Reliant's preference would  
11 be to stay on this schedule is the best of our  
12 ability, or the best we can. We would like to  
13 start hearings right after Thanksgiving.

14 I mean I think we're committed to do  
15 everything we can to get the right things, you  
16 know, put in the process on a timely basis.

17 So, I think we ought to work towards  
18 that goal. I mean now at the end of the day if we  
19 can't get there, then we can't get there. Worst  
20 case, it slides back a little bit.

21 HEARING OFFICER SHEAN: Okay. With  
22 that, then, let me thank you for coming.

23 We appreciate the hospitality of  
24 everybody in the County. We appreciate Reliant's  
25 hospitality of giving us a little food.



1                   And we're adjourned. Thank you.

2                   (Whereupon, at 7:25 p.m., the hearing  
3                   was adjourned.)

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## CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Hearing; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing, nor in any way interested in outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of October, 2001.

VALORIE PHILLIPS

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

□